## COMMITTEE ON FINANCE NEWS RELEASE

Policy



## Max Baucus, Chairman

http://finance.senate.gov

House Bill

This chart indicates notable differences between the Senate-passed and the House-passed versions of the American Recovery and Reinvestment Act of 2009. This chart includes amendments accepted by the Senate, including the Collins-Nelson (NE) compromise amendment. Additional minor differences, such as the commissioning of various studies in the two bills, may exist

Senate Bill

Policy	Senate bili	House bill
Tax Policy		
Tax Relief For Individuals And Familie	es (Subtitle A)	
One-time payment for Social Security beneficiaries, veterans	\$300 one-time payment distributed to social security beneficiaries, disabled veterans, SSI beneficiaries, and retired rail-road workers	Payment distributed to SSI beneficiaries only
Alternative minimum tax patch	AMT patch for 2009	Not included
Temporary suspension of taxation of unemployment benefits	Temporarily suspends federal income tax on the first \$2,400 of unemployment benefits	Not included
Making work pay credit	Phased out at \$70,000 (\$140,000 for couples)	Phased out at \$75,000 (\$150,000 for couples)
Refundable child tax credit	Increase eligibility for the refundable tax credit by lowering the income threshold from \$8,500 to \$8,100	Increase eligibility for the refundable tax credit by lowering the income threshold from \$8,500 to \$0
Homeownership Tax Credit	Expands credit to \$15,000 and allows the credit for all home purchases (not just first-time home purchases); effective on the date of enactment for one year	Expands current \$7,500 repayable credit (for first-time home purchases; available through June 2009) by eliminating the repayment requirement for homes purchased in 2009
American Opportunity Tax Credit	\$2,500 higher education credit is 30% refundable up to \$750	\$2,500 higher education credit is 40% refundable up to \$1,000
Expand the definition of expenses for 529 education savings plans	Expands the definition of qualified expenses to include computer technology and equipment	Not included
Transit parity	Equalizes tax-free transit and parking benefits	Not included

Tax Policy (cont.)		
Above-the-line deduction for automobiles	Above-the-line deduction for interest expenses and State and local sales taxes paid on the purchase of a new automobile	Not included
Energy Incentives (Subtitle B)		
Advanced energy investment credit	Establishes a new 30% investment tax credit for manufacturing of advanced energy property	Not included
Department of energy grant program for renewable electricity projects	Not included	Renewable electricity projects eligible for production tax credit may instead elect to participate in Department of Energy grant program
Consumer vehicle incentives	Creates new tax credit for 2 and 3 – wheeled vehicles and low speed vehicles; increases plug-in electric vehicle cap to 500,000 vehicles; provides new credit for converting hybrids to plug-in hybrids	Not included
Plug-in manufacturing and retooling incentive	Provides temporary expensing for domestic plug-in vehicle and component manufacturing	Not included
Depreciation for smart meters	Temporarily modifies the depreciation schedule for smart meters, reducing the recovery period for this property from ten years to five years	Not included
Energy-efficient existing homes	Extends and expands credit; modifies standards	Extends and expands credit
Tax Incentives For Business (Subtitle G	C)	
Extension of monetization of accumulated AMT and R&D credits in lieu of bonus depreciation	Allows some AMT and loss taxpayers in 2009 to receive 20% of the value of their old AMT or research and development credits	Not included
Delayed recognition of certain cancellation of debt income	Allows certain businesses to recognize cancellation of indebtedness income over eight years	Not included

Policy	Senate Bill	House Bill
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Tax Policy (cont.)		
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Incentives to hire unemployed	Expands Work Opportunity Tax	Expands Work Opportunity Tax
veterans, disconnected youth	Credit to veterans released from	Credit to veterans discharged from
	active duty between 2001 and	active duty between 2008 and
Consultation of the control of the c	2010, and disconnected youth	2010, and disconnected youth
Small business capital gains	Increases the exclusion for	Not included
	individuals on gain from the sale of	
Coun holding navial modification	certain small business stock	Not included
S-Corp holding period modification	Temporarily shorten the holding	Not included
	period of assets subject to built-in	
Lave in a comp have in a tay and its	gain from 10 to 7 years	Not included
Low-income housing tax credits	Accelerated to permit investors to claim 20% of the allowable credits	Not included
	in each of the first three years and	
	the remaining 40% of the next	
Low-income housing grant option	seven years  Not included	HUD grant option for low-income
Low-income nousing grant option	Not included	housing investment
Repayment of bonuses under the	Institutions participating in TARP	Not included
Troubled Asset Relief Program	that awarded bonuses greater than	Not included
(TARP)	\$100,000 to directors and officers	
(IANF)	for services rendered during 2008	
	must buy back stock from the	
	government in an amount equal to	
	excess bonuses; failure to timely	
	repurchase stock will result in a	
	35% excise tax on excess bonus	
	amounts	
Manufacturing Recovery Provisions (		
Industrial development bonds	Amends the definition of	Not included
,	manufacturing facility, clarifies	
	which physical components of a	
	manufacturing facility qualify	
Advanced energy investment	Clarifies criteria and qualifications	Not Included
credit	for advanced energy investment	
	credit	
Economic Recovery Tools (Subtitle E)		
Recovery zone bonds	\$10 billion in private activity bonds	\$15 billion in private activity bonds
	and \$5 billion in refundable credit	and \$10 billion in cash-out tax
	bonds	credit bond for distressed economic
		areas
New markets tax credit	\$3 billion dollars in additional	Not included
	funding for the credit	

Policy	Senate Bill	House Bill
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Tax Policy (cont.)			
Infrastructure Financing Tools (Subtit	Infrastructure Financing Tools (Subtitle F)		
Three percent withholding on	Delay implementation of the law by	Full repeal	
government contracts	one year		
School construction bonds	\$5 billion for new school	\$11 billion for new school	
	construction	construction	
New tax credit bonds for	Provided for two years; increased	Permanent	
government infastructure projects	credit for small issuers		
(Build America Bonds)			

Health Policy		
COBRA - premium subsidies	50% subsidy for 12 months; gives employers more time to administer subsidy; allows COBRA-eligible individuals to change coverage options	65% subsidy for 12 months
COBRA - health benefits extension for older and long-term workers	Not included	Benefits available to workers age 55+ and long-term workers until they are eligible for Medicare
Medicaid – temporary option for the unemployed	Not included	Medicaid option for unemployed who are not eligible for COBRA with 100% Federal match
Medicaid – extension of reg. delays	Not included	3 month extension
FMAP bonuses	Distributes \$87 billion with more for states up front, less in bonuses (80% in across-the-board payments and 20% in bonuses)	Distributes \$87 billion with less for states up front, more in bonuses (50% in across-the-board payments and 50% in bonuses)
Limit on application of increased FMAP match	States that expand income eligibility levels in Medicaid will not receive increased federal match created in this bill for those newly eligible beneficiaries. Instead, state would receive standard matching rate	Not included
Extend disproportionate share hospital (DSH) payments	Extend payments to hospitals with disproportionate number of low-income, Medicaid, and uninsured patients through December 31, 2010	Not included

Policy	Senate Bill	House Bill

Health Policy (cont.)		
State reimbursement for special disability workload	Provides \$3 billion in compensation to states for Medicaid coverage that was legal responsibility of Medicare	Not included
Health information technology (HIT)	Payment incentives beginning in 2011 and penalties beginning in 2015; includes Critical Access Hospitals (up to \$1.5 million per hospital)	Payment incentives beginning in 2011 and penalties beginning in 2016; Critical Access Hospitals not eligible

Unemployment & Assistance Policy		
UI benefits - temporary assistance	Waive interest payments, accrual of	Not included
for states with advances	interest on loans to state	
	unemployment trust funds	
UI Income disregard for Medicaid	Income disregard of the \$25	Not included
and CHIP eligibility	increase in weekly UI benefit	
UI Modernization	Completion in two years (three	Completion in three years
	years for biennial states)	
TANF - supplemental grant	Increased funds for high pop.	Not included
extensions	growth, increased poverty states	
Funding for child support	Through December 31, 2010	Through September 30, 2010
enforcement		

Trade Policies		
Customs duty collection	Prevents Customs Border Protection from collecting certain duties from U.S. companies	Not included
Trade Adjustment Assistance	Extend current programs for two years	Not included
Buy American	Prevents stimulus funds from being used for public buildings or public works unless all of the iron, steel, and manufactured goods used in the project are produced in the United States; must be applied consistent with U.S. international trade obligations	Prevents stimulus funds from being used for public buildings or public works unless all of the iron and steel used in the project are produced in the United States; no exception for international trade obligations

Debt Limit		
Debt limit increase	Increase by \$825 billion	Not included

Note: Two provisions not under the jurisdiction of the Finance Committee should be noted as present in the Senate bill and not present in the House-passed bill. These Dodd and McCaskill provisions limit compensation for officers and directors of entities receiving emergency economic assistance and/or funding under the Troubled Asset Relief Program.